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August 17, 2005

Sent via U.S. Mail

Eric Johnson
U.S. Environmental Protection Agency
Region 8, 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

RE: Progress report for July 2005 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Mr. Johnson:

Per paragraph 64 of the Order, enclosed is a copy of the July 2005 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgypton@hecla-mining.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gypton", with a stylized flourish at the end.

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept (w/o attachments)
John Jacus, Esq. (DG&S)



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03 -35

August 17, 2005

Sent via U.S. Mail

Glenn Rogers, Chairman.
Shivwits Band of Paiute Indian Tribe
P.O. Box 448
Santa Clara, Utah 84765

John Krause
Bureau of Indian Affairs Phoenix Area Office
U.S. Department of Interior
P.O. Box 10
Phoenix, AZ 85001

Deborah Hamlin
BIA Southern Paiute Field Station, Branch of Natural Resources
P.O. Box 720
St. George, UT 84771

RE: Progress report for July 2005 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Chairman Rogers, Mr. Krause and Ms. Hamlin:

Per paragraph 64 of the Order, enclosed is a copy of the July 2005 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgyp-ton@hecla-mining.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gypton", written over a horizontal line.

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept. (w/o attachments)
John Jacus, Esq. (DG&S) (w/o attachments)
Eric Johnson (USEPA, Region VIII) (w/o attachments)

U89848
03-35



August 17, 2005

MEMORANDUM TO: Paul Glader
COPIES TO: file, distribution
FROM: Chris Gypton
SUBJECT: **Progress Report No. 15 for period ending July 31, 2005;
Pond 2 Final Closure - Apex Site, Washington County, Utah**

Summary

Weather conditions at the site were satisfactory all month. Measured rainfall totaled 0.21 inches; this amount was the result of one storm event.

Site activities in the month focused on entirely on tailings dewatering and concurrently managing the seepage collection system. The seepage rate has effectively ceased and the remaining water in the sumps dried up. Operation of the forced evaporation system was terminated on July 17th; the water level in the evaporation basins is too low to run the circulation pump. Natural evaporation has been very high during the month, so currently there is no need to use forced evaporation.

The following table summarizes estimated volume of water removed through the dewatering and seepage collection systems:

Time Period - 2005	Estm'd Gallons in Period - Seepage Collection	Gallons Pumped in Period - Dewatering	Cumulative Gallons to Evap Ponds
Feb. 18 through Feb 28	34,000	28,650	62,650
March 1 through 31	93,500	103,415	328,980
April 1 through 30	68,000	93,350	490,330
May 1 through 31	42,500	162,950	695,780
June 1 through 30	nil	96,150	791,930
July 1 through 31	nil	97,630	889,560

The saturation level in the center of the impoundment declined approximately 0.80 feet in the month. Saturation levels adjacent to the perimeter declined 0.60 to 1.00 feet. The drawdown rate is declining, even though the level of effort was increased over the prior month. A late August start date for final cover construction still appears realistic.

Major Issues

1. BIA demand to have Pond 2 removed from Shivwits' property – A letter was received from Bureau of Indian Affairs (BIA) on July 14th which in essence demanded removal of the impoundment, based on BIA interpretation of the operating lease. The impact of this dispute over the lease terms on the closure plan is uncertain, therefore we issued a Notice of Force Majeure to USEPA on July 19th. The terms of the lease will be reviewed, and a response sent to BIA, before the end of August. In the interim we will continue with dewatering and general site maintenance activities.

Work Planned for Next Period

1. Continue management of the existing seepage collection system as required.
2. Continue dewatering of the tailings.
3. Plan to mobilize contractor as soon as conditions permit.

Work in Process

Procure Outside Services

1. Finalization of commercial terms with Hughes continued through the month; this activity is not expected to delay start of the work.

Procure Materials

1. No activity

Contractor Submittals

1. No activity

Seepage Collection System Maintenance

1. Seepage collection system was maintained concurrently with the dewatering activity.

Phase II Drain/Evaporate Excess Water

1. Personnel were on site a total of thirty one days in the month. Approximately 97,600 gallons of water was pumped out of the dewatering sumps, and transferred to the evaporation basins.
2. Forced evaporation system stopped on July 17th; the water level in the basins is too low to operate the recirculation pump and the natural evaporation rate has been more that adequate to dispose of the water.

Sampling and Analysis in Period

Material Characterization

1. No activity

Field Tests, Inspections & QA/QC

1. The dewatering sump collar elevations were re-surveyed to verify liquid level elevations.

Cost and Schedule

Committed costs in July 2005 were approximately \$27,900; the majority of the costs were related to dewatering and seepage collection system management. Total project to date committed is approximately \$565,600. Forecast cost at completion is expected to be \$1,168,000. The forecast accounts for the revised final cover construction pricing, plus schedule changes driven by the slowing saturation level drawdown rate.

The cost report for July is attached. Current status of the deliverables listed in the RCRA 7003 order is as follows:

Deliverable	Reference Paragraph	Due	Remarks
Post warning signage around perimeter of site	57	15 days after effective date of order	Work completed on March 9, 2004
Begin implementation of closure plan	63	45 days after receipt of filing of order	Work started on February 23, 2004
Monthly progress reports	64	28th day after close of month	Requirement in effect after order is filed.
Completion report	65	30 days after completion of all closure plan tasks	To be submitted within 30 days after work has been physically completed and all contracts closed out.

The update of the schedule milestones is on the following table:

Milestone	Target	Actual	Remarks
Issue bid package -- Phase I (Sump Drains)	6/14/04	6/15/04	Portion of RFP materials issued at pre-bid on 6/14/04; remainder sent via courier
Issue RFP package -- Phase III	6/24/04	6/24/04	
Award contract for Phase I	6/24/04	6/29/04	Date contract was shipped to Hughes
Pre-bid meeting -- Phase III	7/19/04	7/19/04	
Start Phase I (Sump Drains) construction	7/12/04	7/19/04	
Start Phase II (Evaporation)	7/19/04	7/29/04	
Receive bids for Phase III	8/2/04	8/2/04	
Re-bid Phase III contract package	April 2005	4/27/05	Date bid package was sent to Hughes
Start Phase III construction	End of August 2005		Revised target based on dewatering progress
Complete Phase III construction	End of October 2005		Revised target based on late PH III start

Supplemental Attachments

1. None

Apex Site
Pond 2 Final Closure
Project Cost Report

Activity	2004 Budget	Revised Budget May 2004	Committed Cost this Period	Cumulative Committed Cost To Date 7-31-05	Forecasted Cost To Complete	Forecasted Final Cost	Remarks on Forecast to Complete
Phase I - Drain Excess Liquid From Tailings							
Test wick program - Nilux		35,000		35,000	0	35,000	
Earthwork during wick test program		2,000		1,768	0	1,768	
Install drainage piping and sumps							
Contractor mobilization/demobilization		5,500		5,500	0	5,500	
Install sumps - material & labor		20,000		24,500	0	24,500	
Build surface evaporation ponds		2,700		838	0	838	
Remove existing evaporation ponds		2,000		0	0	0	Work moved to Phase III
Bury existing pond material & regrade		2,000		0	0	0	Work moved to Phase III
Survey monuments		3,500		1,160	500	1,660	One trip plus final report
Subtotal Phase I	189,300	72,700		68,768	500	69,268	
Phase II - Evaporate Excess Liquid							
Operate evaporation & pumping system		8,000		9,585		9,585	FY 2004 work only
Test pits to determine dewatering progress				1,320		1,320	
Upgrade evaporation cells & collection sumps				132,114		132,114	
Dewatering & seepage collection management			15,374	82,530	22,000	104,530	T&M labor + equipment; February '05 through Aug '05
Subtotal Phase II	8,000	8,000	15,374	228,549	22,000	247,549	
Phase III - Regrading & Final Cover System							
Contractor mobilization/demobilization		20,000		4,428	48,000	52,428	
Excavate existing embankment		15,000		0	137,000	137,000	
Final grading of 1% surface		2,500		0	0	0	Incl w/ 12" protection layer
Place barrier layer (GCL) - top		200,000		0	167,000	167,000	
Place barrier layer (GCL) - outcrops		50,000		0	0	0	Incl w/ GCL cover cost
Excavate diversion channel		9,100		0	40,000	40,000	
Place 12" protection layer on top surface		19,000		0	50,000	50,000	
Reconstruct outside embankment		7,350		0	0	0	Incl w/ excavation of existing embankment
Finish grade 1% surface - top		3,000		0	0	0	Incl w/ 12" protection layer
Place surface layer at outcrops (D50 = 1")		4,800		0	0	0	Incl w/ 12" protection layer
Recontour diversion channel for drainage		2,000		0	0	0	Incl w/ diversion channel exc
Place diversion channel erosion protection (3" rock)		3,800		0	0	0	Incl w/ diversion channel exc
Surveying - diversion channel drainage		2,500		0	0	0	Incl w/ diversion channel exc
Remove existing evaporation ponds		0		0	0	0	Incl w/ excavation of existing embankment
Clear site for construction		3,000		0	7,500	7,500	
Performance & Payment Bond		0		0	0	0	Requirement waived
Subtotal Phase III	337,000	342,650	0	4,428	448,500	483,928	
Field Indirect Costs							
Construction Management labor		108,360	7,350	165,601	63,750	229,351	
Construction Management field expenses		38,575	1,773	36,890	16,800	53,690	
Field office trailer		6,525	165	2,828	1,160	3,988	
CQA testing		9,200		0	17,100	17,100	
CQA completion report		5,000		0	5,000	5,000	
Survey and layout		2,208	348	348	1,860	2,208	
Material classification tests		1,500		5,782	2,500	8,282	
Consulting Engineer		42,200	1,657	37,819	10,900	48,519	
Subtotal Consultants	164,600	213,588	11,293	249,947	119,070	368,117	
Hecia Costs							
Labor	15,500	15,500	1,285	15,684	8,100	23,784	
Travel expenses	3,200	3,200		2,098	3,700	5,798	
Subtotal Hecia Costs	18,700	18,700	1,285	17,782	11,800	29,582	
Total Pond 2 Final Closure	716,400	645,018	27,962	686,680	682,570	1,168,468	

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